



Special Notice

STATE BOARD
OF EQUALIZATION

450 N Street
Sacramento
California 95814

To California Tire Sellers

Senate Bill 876 (ch. 838, Stats. 2000)
Affects the Excise Tax on Sales of New Tires

As the result of the passage of SB 876, the following changes will take effect January 1, 2001:

- **Higher fee rate**

You must collect and report \$1.00 per tire for the tire recycling fee for sales of new tires made on and after January 1, 2001 (up from 25 cents per tire in effect prior to 2001)

- **Higher reimbursement for costs**

You can claim 3 cents per tire as reimbursement for your costs associated with the collection of the fee (up from 2.5 cents per tire in effect prior to 2001).

- **Changed definition of "new tire"**

"New tire" has been revised to add the second definition below:

- A new pneumatic or solid tire intended for use with on-road or off-road motor vehicles, recreational vehicles, trailers, motorcycles, motorized equipment, construction equipment, or farm equipment that is sold separately from the motorized equipment, or
- A new tire sold with a *new or used* motor vehicle, including the spare tire.

Note: A new tire does not include retreaded, reused, or recycled tires.

Fee returns for reporting periods beginning in 2001 will reflect the new tire recycling fee and cost reimbursement rates.

For More Information

Please call our Information Center, 1-800-400-7115 (listen for "other tax and fee programs"). Customer Service Representatives are available from 8:00 a.m. through 5:00 p.m., Monday through Friday, excluding State holidays.

For Assistance

If you have questions about the tax rate change, or need help computing any adjusted amounts on your return, please call our Information Center at 1-800-400-7115.

November 2000

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